

**CITY OF SALINAS  
DISADVANTAGE BUSINESS ENTERPRISE PROGRAM  
FOR SALINAS MUNICIPAL AIRPORT**

**U.S. DEPARTMENT OF TRANSPORTATION  
DBE PROGRAM – 49 CFR PART 26**

DBE Program for Recipients of  
Federal Aviation Administration (FAA) Funds

April 2025



**Kimley»Horn**

DRAFT

## POLICY STATEMENT

### Section 26.1, 26.23 Objectives/Policy Statement

The City of Salinas, owner of Salinas Municipal Airport, has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Salinas Municipal Airport has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, City of Salinas has signed an assurance that it will comply with 49 CFR Part 26 (hereafter referred to as "Part 26").

It is the policy of the City of Salinas to ensure that DBEs as defined in Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also City of Salinas policy to engage in the following actions on a continuing basis:

1. Ensure nondiscrimination in the award and administration of DOT- assisted contracts;
2. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. Ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove barriers to the participation of DBEs in DOT assisted contracts;
6. Promote the use of DBEs in all types of federally-assisted contracts and procurement activities;
7. Assist the development of firms that can compete successfully in the market place outside the DBE Program; and
8. Make appropriate use of the flexibility afforded to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

David Jacobs, Public Works Director has been delegated as the DBE Liaison Officer. In that capacity, Mr. Jacobs, is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by the City of Salinas in its financial assistance agreements with the Department of Transportation.

City of Salinas has disseminated this policy statement to the FAA and all of the components of our organization. This statement has been distributed to DBE and non-DBE business communities that may perform work on City of Salinas DOT-assisted contracts. The distribution was accomplished by posting to the City of Salinas official website.

\_\_\_\_\_  
David Jacobs, P.E., Public Works Director

\_\_\_\_\_  
Date

## **GENERAL REQUIREMENTS**

### **Section 26.1 Objectives**

The objectives are elaborated in the policy statement on the first page of this program.

### **Section 26.3 Applicability**

City of Salinas is the recipient of Federal airport funds authorized by 49 U.S.C. 47101, et seq.

### **Section 26.5 Definitions**

City of Salinas will use terms in this program that have their meanings defined in Part 26, § 26.5.

### **Section 26.7 Non-discrimination Requirements**

City of Salinas will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, City of Salinas will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

### **Section 26.11 Data Collection and Reporting Requirements**

#### **Reporting to DOT**

City of Salinas will provide data about its DBE Program to the Department as directed by DOT and its operating administrations.

DBE participation will be reported to the Federal Aviation Administration (FAA) as follows:

City of Salinas will transmit to FAA annually, by or before December 1, the information required for the "Uniform Report of DBE Awards or Commitments and Payments", as described in Part 26. City of Salinas will similarly report the required information about participating DBE firms. All reporting for this purpose will be done through the FAA's designated reporting system.

#### **Bidders List**

City of Salinas will collect bidders list information as described in § 26.11(c)(2) and enter it into the system designated by DOT. The purpose of the bidders list is to compile as accurate data as possible about the universe of DBE and non-DBE contractors and subcontractors who seek to work on our federally assisted contracts for use in helping you set your overall goals, and to provide the Department with data for evaluating the extent to which the objectives of § 26.1 are being achieved.

City of Salinas will obtain the following bidders list information about all DBE and non-DBEs who bid as prime contractors and subcontractors on each of our federally assisted contracts:

- Firm name
- Firm Address including Zip code
- Firm's status as a DBE or non-DBE
- Race and gender information for the firm's majority owner
- NAICS code applicable to each scope of work the firm sought to perform in its bid
- Age of the firm

- Annual gross receipts of the firm. The gross receipts can be obtained by asking each firm to indicate into what gross receipts bracket they fit (e.g. less than \$1 million; \$1-3 million; \$3-6 million; \$6-10 million, etc.) rather than requesting an exact figure from the firm.

City of Salinas will collect the data from all bidders for our federally assisted contracts by requiring the information in paragraph (c)(2) of this section to be submitted with their bids or initial responses to negotiated procurements.

City of Salinas will enter this data in the Department's designated system no later than December 1 following the fiscal year in which the relevant contract was awarded.

In the case of a "design-build" contracting situation where subcontracts will be solicited throughout the contract period as defined in a DBE Performance Plan pursuant to § 26.53(e), City of Salinas will enter the data no later than December 1 following the fiscal year in which the design-build contractor awards the relevant subcontract(s).

City of Salinas will maintain records documenting a firm's compliance with the requirements of this part. Other certification or compliance related records will be retained for a minimum of three (3) years unless otherwise provided by applicable record retention requirements for the financial assistance agreement, whichever is longer.

### **Section 26.13 Assurances Recipients and Contractors Must Make**

City of Salinas has signed the following assurances, applicable to all DOT-assisted contracts and their administration:

**Assurance:** - Each financial assistance agreement City of Salinas signs with a DOT operating administration (or a primary recipient) will include the following assurance:

The City of Salinas shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The City of Salinas shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The City of Salinas DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Salinas of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

**Contract Assurance:** City of Salinas will ensure that the following clause is included in each DOT-funded contract it signs with a contractor (and each subcontract the prime contractor signs with a subcontractor):

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- 1) Withholding monthly progress payments;
- 2) Assessing sanctions;
- 3) Liquidated damages; and/or
- 4) Disqualifying the contractor from future bidding as non-responsible.

## **ADMINISTRATIVE REQUIREMENTS**

### **Section 26.21 DBE Program Updates**

City of Salinas is required to have a DBE program meeting the requirements of this part as it will receive grants for airport planning or development and will award prime contracts, cumulative total value of which exceeds \$250,000 in FAA funds in a federal fiscal year.

City of Salinas is not eligible to receive DOT financial assistance unless DOT has approved this DBE program and City of Salinas is in compliance with it and Part 26. City of Salinas will continue to carry out this program until all funds from DOT financial assistance have been expended. City of Salinas does not have to submit regular updates of the DBE program document, as long as it remains in compliance. However, significant changes in the program, including those required by regulatory updates, will be submitted to the relevant operating administration for approval.

### **Section 26.23 Policy Statement**

The Policy Statement is elaborated on the first page of this DBE Program.

### **Section 26.25 DBE Liaison Officer (DBELO)**

The following individual has been designated as the DBE Liaison Officer for City of Salinas:

Mr. David Jacobs, Public Works Director  
Public Works Department  
City of Salinas  
200 Lincoln Avenue, Salinas, CA 93901  
Telephone: (831) 758-7241  
Email: [davidj@ci.salinas.ca.us](mailto:davidj@ci.salinas.ca.us)

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the City of Salinas complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the City Manager concerning DBE program matters. An organizational chart displaying the DBELO's position in the organization is included in Attachment \_\_ to this program.

The DBELO is responsible for developing, implementing, and monitoring the DBE program, in coordination with other appropriate officials. The DBELO has a DBE support staff of four comprised of the City's Engineering and Public Work departments to assist in the administration of the program. The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes the City's progress toward attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the City Council on DBE matters and achievement.
9. Determine contractor compliance with good faith efforts.
10. Provides DBEs with information and assistance in preparing bids, obtaining bonding and insurance.

## Section 26.27 DBE Financial Institutions

The City of Salinas will identify institutions annually by reviewing the California DBE and FAA Matchmaker directories. City of Salinas encourages contractors to include a list of these institutions in solicitation packets.

It is the policy of the City of Salinas to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions. Availability of such institutions will be investigated on an annual basis.

A list of Minority Depository Institutions (MDIs) was obtained online through the US Federal Reserve (<https://www.fdic.gov/minority-depository-institutions-program/minority-depository-institutions-list>). The following institutions are located in California:

<b>MINORITY DEPOSITORY INSTITUTIONS (Mdis)</b> <b>March 31, 2024</b>	
<b>Name</b>	<b>City</b>
First Commercial Bank USA	Alhambra
New Omni Bank National ASSN	Alhambra
American Plus Bank N A	Arcadia
American Continental Bank	City Of Industry
Evertrust Bank	City Of Industry
United Pacific Bank	City Of Industry
Community Commerce Bank	Claremont
US Metro Bank	Garden Grove
Bank Irvine	Irvine
California Business Bank	Irvine
Commercial Bank of CA	Irvine
Bank of Hope	Los Angeles
Cathay Bank	Los Angeles
Commonwealth Business Bank	Los Angeles
CTBC Bank Corp USA	Los Angeles
Eastern International Bank	Los Angeles
Hanmi Bank	Los Angeles
Open Bank	Los Angeles
PCB Bank	Los Angeles
Preferred Bank	Los Angeles
Royal Business Bank	Los Angeles
Legacy Bank	Murrieta
Genesis Bank	Newport Beach
Gateway Bank FSB	Oakland
Metropolitan Bank	Oakland
East West Bank	Pasadena
Icon Business Bank	Riverside

First General Bank	Rowland Heights
Bank of the Orient	San Francisco
California Pacific Bank	San Francisco
Mission National Bank	San Francisco
Asian Pacific National Bank	San Gabriel
Mega Bank	San Gabriel
Pacific Alliance Bank	San Gabriel
Universal Bank	West Covina
California Intl Bank N A	Westminster
Bank of Whittier Na	Whittier

### Section 26.29 Prompt Payment Mechanisms

City of Salinas requires that all subcontractors performing work on DOT-assisted contracts shall be promptly paid for work performed pursuant to their agreements, in accordance with all relevant federal, state, and local law. Prompt payment and return of retainage requirements also apply to lower-tier subcontractors.

In accordance with 49 CFR § 26.29, the City of Salinas established a contract clause implementing this requirement and requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from the prime contractor's receipt of each payment from the City of Salinas.

City of Salinas ensures prompt and full payment of retainage from the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Pursuant to § 26.29, has selected the following method to comply with this requirement:

City of Salinas will hold retainage from prime contractors and provide for prompt and regular incremental acceptances of portions of the prime contract, pay retainage to prime contractors based on these acceptances, and require a contract clause obligating the prime contractor to pay all retainage owed to the subcontractor for satisfactory completion of the accepted work within seven days for construction contracts and 15 days for consultant contracts after City of Salinas payment to the prime contractor.

For every airport construction project funded under Federal grant assistance programs, City of Salinas includes the applicable clause from FAA Advisory Circular 150/5370-10 (Section 90-06) pertaining to the selected retainage method. The applicable clause will be included verbatim. However, if state or local prompt payment laws provide for payment in less than 30 days, any reference to "30 days" will be revised accordingly.

#### FAA Advisory Circular 150/5370-10 (Section 90-06):

*"The Owner may hold retainage from prime Contractors and provide for prompt and regular incremental acceptances of portions of the prime contract, pay retainage to prime Contractors based on these acceptances, and require a contract clause obligating the prime Contractor to pay all retainage owed to the subcontractor for satisfactory completion of the accepted work within 30 days after the Owner's payment to the prime Contractor. If Option 3 is selected, the percent withheld may range from 0% to 10% but in no case may it exceed 10%. When establishing a suitable retainage value that protects the Owner's interests, give consideration that the performance and payment bonds also provide similar protection of Owner interests. Owner may elect to incrementally release retainage if owner is satisfied its interest with completion of the project are protected in an adequate manner. If Option 3 is selected, insert the following clause and specify a suitable value where indicated:*



- a. *From the total of the amount determined to be payable on a partial payment, 10-percent of such total amount will be deducted and retained by the Owner for protection of the Owner's interests. Unless otherwise instructed by the Owner, the amount retained by the Owner will be in effect until the final payment is made except as follows:*
- (1) Contractor may request release of retainage on work that has been partially accepted by the Owner in accordance with Section 50-14. Contractor must provide a certified invoice to the Responsible Project Representative (RPR) that supports the value of retainage held by the Owner for partially accepted work.*
  - (2) In lieu of retainage, the Contractor may exercise at its option the establishment of an escrow account per paragraph 90-08.*
- b. *The Contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than 30 days after the Contractor has received a partial payment. Contractor must provide the Owner evidence of prompt and full payment of retainage held by the prime Contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When the Owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.*
- c. *When at least 95% of the work has been completed to the satisfaction of the RPR, the RPR shall, at the Owner's discretion and with the consent of the surety, prepare estimates of both the contract value and the cost of the remaining work to be done. The Owner may retain an amount not less than twice the contract value or estimated cost, whichever is greater, of the work remaining to be done. The remainder, less all previous payments and deductions, will then be certified for payment to the Contractor."*

#### Prompt Payment Monitoring for DBEs and Non-DBEs

City of Salinas clearly understands and acknowledges that reliance on complaints or notifications from subcontractors about a contractor's failure to comply with prompt payment and retainage requirements is not a sufficient monitoring and oversight mechanism. Therefore, City of Salinas undertakes proactive monitoring and oversight of prime contractors' compliance with subcontractor prompt payment and return of retainage requirements of 49 CFR Part 26. Such monitoring activities will be accomplished through the following method(s):

- City of Salinas has entered into an agreement with a consulting firm to provide program management services through 2027. Each project requires a separate task order which will include monitoring for prompt payment.
- The City of Salinas included a contract clause in the Special Provisions that requires contractors to submit subcontractor and/or supplier's waiver of liens as required under Civil Code Article 8122 8138. The waiver shall be "conditional" before payment and "unconditional" after payment. The unconditional waivers ensure that all subcontractors, including DBEs are promptly paid.

City of Salinas requires prime contractors to maintain records and documents of payments to subcontractors, including DBEs, for a minimum of three (3) years unless otherwise provided by applicable record retention requirements for the City of Salinas's financial assistance agreement, whichever is longer. These records will be made available for inspection upon request by any authorized representative of City of Salinas or DOT. This reporting requirement extends to all subcontractors, both DBE and non-DBE.

1. City of Salinas and/or program management consultant proactively reviews contract payments to subcontractors including DBEs monthly for active projects. Payment reviews will evaluate whether

the actual amount paid to DBE subcontractors is equivalent to the amounts reported to City of Salinas by the prime contractor.

#### Prompt Payment Dispute Resolution

City of Salinas will take the following steps to resolve disputes as to whether timely prompt payment and retainage releases are being made as required by § 26.29 and 90-06 Partial Payments.

1. "Report to the Department of Transportation (DOT) false, fraudulent or deceitful statements or representations, or circumstances indicating a serious lack of business integrity or honesty related to Prompt Payment, so DOT take appropriate action as warranted (e.g., suspension, debarment, or referral to the Department of Justice)."
2. Consider similar action under City of Salinas's own legal authorities, including responsibility determinations in future contracts. Attachment 7 lists the regulation, provisions, and contract remedies available to City of Salinas in the events of non-compliance with the prompt payment requirements of 49 CFR Part 26 by a participant in our procurement activities;
3. City of Salinas and/or owner's representative to perform desk audits to review all material and information concerning the contractor's compliance;
4. Call for any additional investigations due to a lack of proper record keeping, failure of any prime contractor or subcontractor to cooperate, visible evidence of unsatisfactory performance, and other evidence as may warrant further investigation.
5. "Partial payments will be made to the Contractor at least once each month as the work progresses. Said payments will be based upon estimates, prepared by the RPR, of the value of the work performed and materials complete and in place, in accordance with the contract, plans, and specifications. Such partial payments may also include the delivered actual cost of those materials stockpiled and stored in accordance with paragraph 90-07, Payment for Materials on Hand. No partial payment will be made when the amount due to the Contractor since the last estimate amounts to less than five hundred dollars.

The Contractor is required to pay all subcontractors for satisfactory performance of their contracts no later than 30 days after the Contractor has received a partial payment. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Owner. When the Owner has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

From the total of the amount to be payable on a partial payment, five (5) percent of such total amount will be deducted and retained by the Owner until the final payment is made, except as may be provided (at the Contractor's option) in the subsection 90-08 titled PAYMENT OF WITHHELD FUNDS of this section. The balance of the amount payable, less all previous payments, shall be certified for payment. Should the Contractor exercise his or her option, as provided in the subsection 90-08 titled PAYMENT OF WITHHELD FUNDS of this section, no such percent retainage shall be deducted."

#### Prompt Payment Complaints

Complaints by subcontractors regarding the prompt payment requirements are handled according to the following procedure.

1. If affected subcontractor is not comfortable contracting prime directly regarding payment or unable to resolve payment discrepancies with prime, subcontractor should contact DBELO to initiate complaint via email at [davidj@ci.salinas.ca.us](mailto:davidj@ci.salinas.ca.us) or by phone, 831-758-7241. Complainants can also visit the Public Works Counter at City Hall, 200 Lincoln Avenue.
2. If filing a prompt payment complaint with the DBELO does not result in timely and meaningful action by City of Salinas to resolve prompt payment disputes, affected subcontractor may contact the responsible FAA contact using an online form,

[https://www.faa.gov/about/office\\_org/headquarters\\_offices/acr/external-discrimination-complaints/form](https://www.faa.gov/about/office_org/headquarters_offices/acr/external-discrimination-complaints/form).

- Link to Complaint Process: <https://cdms.my.site.com/EEOComplaints/s/>
  - FAA Contact: 1 (888) WK-IT-OUT (1(888) 954-8688) OR 1 (800) 877-8399 (TTY RELAY SERVICE)
3. Pursuant to Sec. 157 of the FAA Reauthorization Act of 2018, all complaints related to prompt payment will be reported in a format acceptable to the FAA, including the nature and origin of the complaint and its resolution.

#### **Enforcement Actions for Noncompliance of Participants**

City of Salinas provides appropriate means to enforce the requirements of § 26.29. These means include:

1. Advise subcontractors of the availability of the payment and performance bond to assure payment for labor and materials in the execution of the work provided for in the contract
2. Pay subcontractors directly and deduct this amount from the retainage owed to the prime
  - Issue a stop-work order until payments are released to subcontractors, specifying in the contract that such orders constitute unauthorized delays for the purposes of calculating liquidated damages if milestones are not met
  - Should Contractor fail to comply after the City of Salinas has employed one or more measures described above, City of Salinas may terminate the contract with the Contractor.

City of Salinas will actively implement the enforcement actions detailed above.

#### **Section 26.31 Directory of Certified Firms**

City of Salinas is a non-certifying member of the California Unified Certification Program (UCP). The UCP maintains a directory (<https://californiaucp.dbesystem.com/>) identifying all firms eligible to participate as DBEs and/or ACDBEs, and it contains all the elements required by §26.31. The directory lists all firms eligible to participate as a DBE and/or ACDBE in the program. In the listing for each firm, the UCP directory includes the following details about the firm:

- Business address
- Business phone number
- Firm website(s)
- The types of work the firm has been certified to perform as a DBE and/or ACDBE.
- The type of work a DBE and/or ACDBE is eligible to perform is listed by using the most specific NAICS code available to describe each type of work the firm performs. Pursuant to § 26.81(n)(1) and (3), the UCP directory allows for NAICS codes to be supplemented with specific descriptions of the type(s) of work the firm performs.
- The UCP directory may include additional data fields of other items readily verifiable in State or locally maintained databases, such as State licenses held, Pre-qualifications, and Bonding capacity.
- The UCP directory is an online system that permits the public to search and/or filter for DBEs by:
  - Physical location
  - NAICS code(s)
  - Work descriptions
  - All additional data fields of readily verifiable optional information described above.

The directory includes a prominently displayed disclaimer that states the information within the directory is not a guarantee of the DBE's capacity and ability to perform work.

#### **Section 26.33 Over-concentration**

City of Salinas has not identified that over-concentration exists in the types of work that DBEs perform.

### **Section 26.35 Business Development and Mentor-Protégé Programs**

City of Salinas has not established a Business Development Program or a Mentor-Protégé Program as described by 49 CFR Part 26.

### **Section 26.37 Monitoring Responsibilities**

City of Salinas implements and carries out appropriate mechanisms to ensure compliance with 49 CFR Part 26 program requirements by all program participants, and describes and sets forth these mechanisms in this DBE program.

City of Salinas actively monitors attainment toward overall goals by maintaining running tally that provides for a frequent comparison of cumulative DBE awards/commitments to DOT-assisted prime contract awards to determine whether our implementation of contract goals is projected to be sufficient to meet the annual goal. The running tally for overall goal monitoring will be maintained by a running tally of actual DBE attainments (e.g., payments actually made to DBE firms), including a means of comparing these attainments to commitments. This mechanism to maintain a running tally of overall goal attainment will be used to inform City of Salinas decisions to implement goals on contracts to be advertised, according to our established contract goal-setting process.

City of Salinas actively monitors participation with respect to each DBE commitment by using a running tally that provides for a frequent comparison of payments made to each listed DBE relative to the progress of work, including payments for such work to the prime contractor. The running tally for contract goal monitoring will be maintained by a running tally of actual DBE attainments (e.g., payments actually made to DBE firms), including a means of comparing these attainments to commitments. These contract-specific running tallies will be used to determine whether the contractor is on track with meeting its DBE commitment and whether any projected shortfall exists that requires the prime contractor's good faith efforts to address to meet the contract goal pursuant to § 26.53(g).

### **Monitoring Contracts and Work Sites**

City of Salinas reviews contracting records and engages in active monitoring of work sites to ensure that work committed to DBEs at contract award or subsequently (e.g., as the result of modification to the contract) is actually performed by the DBEs to which the work was committed, and such work is counted according to the requirements of § 26.55. Work site monitoring for counting and commercially useful function review is performed by DBELO or their designee. Contracting records are reviewed by Airport staff and reported to the DBLEO monthly. City of Salinas will maintain written certification that contracting records have been reviewed and work sites have been monitored to ensure the counting of each DBE's participation is consistent with its function on the contract.

### **Section 26.39 Fostering Small Business Participation**

City of Salinas has created a Small Business element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.

The small business element is incorporated as Attachment 10 to this DBE Program. The program elements will be actively implemented to foster small business participation. City of Salinas acknowledges that implementation of the small business element is required for us to be considered by DOT as implementing our DBE program in good faith.

## **SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING**

### **Section 26.43 Set-asides or Quotas**

City of Salinas does not use quotas or race-conscious set-asides in any way in the administration of this DBE program.

### **Section 26.45 Overall Goals**

City of Salinas will establish an overall DBE goal covering a three-year federal fiscal year period if it anticipates awarding DOT-funded prime contracts the cumulative total value of which exceeds \$250,000 in DOT funds during any one or more of the reporting fiscal years within the three-year goal period. In accordance with §26.45(f), City of Salinas will submit its Overall Three-year DBE Goal to FAA by August 1<sup>st</sup> of the year in which the goal is due, as required by the schedule established by FAA.

The DBE goals will be established in accordance with the 2-step process as specified in 49 CFR Part 26.45. If City of Salinas does not anticipate awarding prime contracts the cumulative total value of which exceeds \$250,000 in DOT funds during any of the years within the three-year reporting period, an overall goal will not be developed. However, this DBE Program will remain in effect and City of Salinas will seek to fulfill the objectives outlined in 49 CFR Part 26.1.

**Step 1.** The first step is to determine a base figure for the relative availability of DBEs in the market area. City of Salinas will use DBE Directory information and Census Bureau Data as a method to determine the base figure. City of Salinas understands that the exclusive use of a list of prequalified contractors or plan holders, or a bidders list that does not comply with the requirements of 49 CFR Part 26.45(c)(2), is not an acceptable alternative means of determining the availability of DBEs.

**Step 2.** The second step is to adjust, if necessary, the “base figure” percentage from Step 1 so that it reflects as accurately as possible the DBE participation the recipient would expect in the absence of discrimination. Adjustments may be made based on past participation, information from a disparity study (to the extent it is not already accounted for in the base goal), and/or information about barriers to entry to past competitiveness of DBEs on contracts. City of Salinas will examine all of the evidence available in its jurisdiction to determine what adjustment, if any, is needed. If the evidence does not suggest an adjustment is necessary, then no adjustment shall be made.

Any methodology selected will be based on demonstrable evidence of local market conditions and be designed to ultimately attain a goal that is rationally related to the relative availability of DBEs in the City of Salinas market.

In establishing the overall goal, City of Salinas will provide for consultation and publication. This includes consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the efforts by City of Salinas to establish a level playing field for the participation of DBEs. The consultation will include a scheduled, direct, interactive exchange (e.g., a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and it will occur before City of Salinas is required to submit the goal methodology to the operating administration for review pursuant to §26.45(f). The goal submission will document the consultation process in which City of Salinas engaged. Notwithstanding paragraph (f)(4) of §26.45, the proposed goal will not be implemented until this requirement is met.

In addition to the consultation described above, City of Salinas will publish a notice announcing the proposed overall goal before submission to the FAA on August 1st. The notice will be posted on Salinas Municipal Airport's official internet web site (<https://www.cityofsalinas.org/Your-Government/Departments/Public-Works/Salinas-Municipal-Airport>) and may be posted in other sources



(e.g., minority-focused media, trade association publications). If the proposed goal changes following review by FAA, the revised goal will be posted on Salinas Municipal Airport's official internet web site.

The public will also be informed that the proposed overall goal and its rationale are available for inspection during normal business hours at the principal office of the Salinas Municipal Airport. This notice will provide that City of Salinas will accept comments on the goals for 30 days from the date of the notice. Notice of the comment period will include the addresses to which comments may be sent (including offices and websites) and the location(s) where the proposed goal may be reviewed. **The public comment period will not extend the August 1<sup>st</sup> deadline.**

The Overall Three-Year DBE Goal submission to FAA will include any information and comments received, who provided the comment, and how City of Salinas considered and responded to any comments and information received before finalizing the goal.

City of Salinas will begin using the overall goal on October 1 of the relevant period, unless other instructions from FAA have been received.

#### Project Goals

If permitted or required by the FAA, an overall goal may be expressed as a percentage of funds for a particular grant or project or group of grants and/or projects, including entire projects. Like other overall goals, a project goal may be adjusted to reflect changed circumstances, with the concurrence of the appropriate operating administration. A project goal is an overall goal, and it must meet all the substantive and procedural requirements pertaining to overall goals. A project goal covers the entire length of the project to which it applies. The project goal will include a projection of the DBE participation anticipated to be obtained during each fiscal year covered by the project goal. The funds for the project to which the project goal pertains are separated from the base from which the regular overall goal, applicable to contracts not part of the project covered by a project goal, is calculated.

#### Prior Operating Administration Concurrence

City of Salinas understands that prior FAA concurrence with the overall goal is not required. However, if the FAA review suggests that the overall goal has not been correctly calculated or that the method employed by City of Salinas for calculating goals is inadequate, FAA may, after consulting with City of Salinas, adjust the overall goal or require that the goal be adjusted by City of Salinas. The adjusted overall goal is binding. In evaluating the adequacy or soundness of the methodology used to derive the overall goal, the U.S. DOT operating administration will be guided by the goal setting principles and best practices identified by the Department in guidance issued pursuant to § 26.9.

A description of the methodology to calculate the overall goal and the goal calculations can be found in Attachment 5 to this program.

#### **Section 26.47 Failure to meet overall goals**

City of Salinas cannot be penalized, or treated by the Department as being in noncompliance with Part 26, because DBE participation falls short of an overall goal, unless City of Salinas fails to administer its DBE program in good faith.

City of Salinas understands that to be considered to be in compliance with this part, an approved DBE Program and overall DBE goal, if applicable, must be maintained, and this DBE Program must be administered in good faith.

City of Salinas understands that if the awards and commitments shown on the Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall goal applicable to that fiscal year, the following actions must be taken in order to be regarded by the Department as implementing this DBE Program in good faith:

1. Analyze in detail the reasons for the difference between the overall goal and the awards and commitments in that fiscal year;
2. Establish specific steps and milestones to correct the problems identified in the analysis to enable the goal for the new fiscal year to be fully met;
3. City of Salinas will prepare, within 90 days of the end of the fiscal year, the analysis and corrective actions developed under paragraph (c)(1) and (2) of this section. We will retain copy of analysis and corrective actions in records for a minimum of three years, and will make it available to FAA upon request.

## **Section 26.51 Means Recipients Use to Meet Overall Goals**

### **Breakout of Estimated Race-Neutral & Race-Conscious Participation**

City of Salinas will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating race-neutral DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.

Race-neutral means include, but are not limited to the following:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing (e.g., by such means as simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids, and providing services to help DBEs, and other small businesses, obtain bonding and financing);
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; provision of information in languages other than English, where appropriate);
5. Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs and other small businesses;
6. Providing services to help DBEs, and other small businesses, improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
7. Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low;
8. Ensuring distribution of the DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors; and
9. Assisting DBEs, and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media.

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment 5 to this program.

City of Salinas will arrange solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39.

### Contract Goals

If the approved projection under paragraph (c) of §26.51 estimates that the entire overall goal for a given year can be met through race-neutral means, contract goals will not be set during that year, unless the use of contract goals becomes necessary in order to meet the overall goal.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. A contract goal need not be established on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

Contract goals will be expressed as a percentage of the Federal share of a DOT-assisted contract.

### **Section 26.53 Good Faith Efforts Procedures in Situations where there are Contract Goals**

#### Demonstration of good faith efforts (pre-award)

In cases where a contract goal has been established, the contract in question will only be awarded to a bidder/offeror that has made good faith efforts to meet the contract goal. The bidder/offeror can demonstrate that it has made good faith efforts by either meeting the contract goal or documenting that it has made adequate good faith efforts to do so. Examples of good faith efforts are found in Appendix A to Part 26.

DBELO is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as **Responsive**.

City of Salinas will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before committing to the performance of the contract by the bidder/offeror.

In all solicitations for DOT-assisted contracts for which a contract goal has been established, the following information will be required of every bidder/offeror:

1. Award of the contract will be conditioned on meeting the requirements of this section;
2. All bidders or offerors will be required to submit the following information to the recipient, at the time provided in paragraph (3) of this section:
  - a. The names and addresses of DBE firms that will participate in the contract;
  - b. A description of the work that each DBE will perform. To count toward meeting a goal, each DBE firm must be certified in a NAICS code applicable to the kind of work the firm would perform on the contract;
  - c. The dollar amount of the participation of each DBE firm participating;
  - d. Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet a contract goal; and
  - e. Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment. Each DBE listed to perform work as a regular dealer or distributor must confirm its participation according to the requirements of § 26.53 (c)(1).
  - f. If the contract goal is not met, evidence of good faith efforts (as elaborated in Appendix A of Part 26). The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract;
- (1) The bidder/offeror will be required to present the information stipulated in paragraph (2) of this section:
  - a. Under sealed bid procedures, as a matter of **responsiveness**, or with initial proposals, under contract negotiation procedures;



Provided that, in a negotiated procurement, such as a procurement for professional services, the bidder/offeror may make a contractually binding commitment to meet the goal at the time of bid submission or the presentation of initial proposals but provide the information required by paragraph (b)(2) of this section before the final selection for the contract is made by City of Salinas. This paragraph (b)(3)(ii) does not apply to a design-build procurement, which must follow the provisions in paragraph (e) of 49 CFR § 26.53.

For each DBE listed as a regular dealer or distributor City of Salinas will make a preliminary counting determination to assess its eligibility for 60 or 40 percent credit, respectively, of the cost of materials and supplies based on its demonstrated capacity and intent to perform as a regular dealer or distributor, as defined in §§ 26.55(e)(2)(iv)(A), (B), (C), and (3) under the contract at issue. The preliminary determination will be made based on the DBE's written responses to relevant questions and its affirmation that its subsequent performance of a commercially useful function will be consistent with the preliminary counting of such participation. Where the DBE supplier does not affirm that its participation will meet the specific requirements of either a regular dealer or distributor, City of Salinas will make appropriate adjustments in counting such participation toward the bidder's good faith efforts to meet the contract goal. The bidder is responsible for verifying that the information provided by the DBE supplier is consistent with the counting of such participation toward the contract goal.

In a design-build contracting situation, in which City of Salinas solicits proposals to design and build a project with minimal project details at time of letting, City of Salinas may set a DBE goal that proposers must meet by submitting a DBE Open-Ended DBE Performance Plan (OEPP) with the proposal. The OEPP replaces the requirement to provide the information required in paragraph (b) of § 26.53(b). To be considered responsive, the OEPP must include a commitment to meet the goal and provide details of the types of subcontracting work or services (with projected dollar amounts) that the proposer will solicit DBEs to perform. The OEPP must include an estimated time frame in which actual DBE subcontracts would be executed. Once the design-build contract is awarded, City of Salinas will provide ongoing monitoring and oversight to evaluate whether the design-builder is using good faith efforts to comply with the OEPP and schedule. City of Salinas and the design-builder may agree to make written revisions of the OEPP throughout the life of the project, e.g., replacing the type of work items the design-builder will solicit DBEs to perform and/or adjusting the proposed schedule, as long as the design-builder continues to use good faith efforts to meet the goal.

City of Salinas will apply the requirements of this section to DBE bidders/offerors for prime contracts. In determining whether a DBE bidder/offeror for a prime contract has met a contract goal, City of Salinas **will count** the work the DBE has committed to performing with its own forces as well as the work that it has committed to be performed by DBE subcontractors and DBE suppliers.

#### Administrative Reconsideration of Good Faith Efforts determinations

Within seven days of being informed by City of Salinas that it is not responsive because it has not documented adequate good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/offerors should make this request in writing to the following reconsideration official: City of Salinas Legal Counsel, City Hall 200 Lincoln Ave Salinas 93901, (831) 758-7256. The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether the goal was met or the bidder/offeror made adequate good faith efforts to do. The bidder/offeror will be sent a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

#### Good Faith Efforts procedural requirements (post-solicitation/award)

City of Salinas will include in each prime contract the contract clause required by § 26.13(b) stating that failure by the contractor to carry out the requirements of this part is a material breach of the contract and may result in the termination of the contract or such other remedies set forth in that section that City of Salinas deems appropriate if the prime contractor fails to comply with the requirements of this section.

City of Salinas will require the awarded contractor to make available upon request a copy of all DBE subcontracts. The contractor shall ensure that all subcontracts or agreements with DBEs to supply labor or materials include all required contract provisions and mandate that the subcontractor and all lower tier subcontractors perform in accordance with the provisions of Part 26.

City of Salinas will require that a prime contractor not terminate a DBE or any portion of its work listed in response to § 26.53(b)(2) (or an approved substitute DBE firm per § 26.53(g)) without our prior written consent, unless City of Salinas causes the termination or reduction. A termination includes any reduction or underrun in work listed for a DBE not caused by a material change to the prime contract by the recipient. This requirement applies to instances that include but are not limited to: when a prime contractor seeks to perform work originally designed for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

City of Salinas will include in each prime contract a provision stating that:

1. The contractor must utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains City of Salinas's written consent as provided in § 26.53(f); and
2. Unless City of Salinas's consent is provided under § 26.53(f), the prime contractor must not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

City of Salinas may provide such written consent only if it agrees, for reasons stated in our concurrence document, that the prime contractor has good cause to terminate the listed DBE or any portion of its work.

Good cause does not exist if the prime contractor seeks to terminate a DBE or any portion of its work that is relied upon to obtain the contract so that the prime contractor can self-perform the work for which the DBE contractor was engaged, or so that the prime contractor can substitute another DBE or non-DBE contractor after contract award. For purposes of § 26.53(f)(3), good cause includes the following circumstances:

1. The listed DBE subcontractor fails or refuses to execute a written contract;
2. The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;
3. The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, nondiscriminatory bond requirements;
4. The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit worthiness;
5. The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR parts 180, 215, and 1200 or applicable state law;
6. City of Salinas has determined that the listed DBE subcontractor is not a responsible contractor;
7. The listed DBE subcontractor voluntarily withdraws from the project and provides to City of Salinas written notice of its withdrawal;
8. The listed DBE is ineligible to receive DBE credit for the type of work required;
9. A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract; and
10. Other documented good cause that City of Salinas determines compels the termination of the DBE subcontractor;

Before transmitting to City of Salinas the request to terminate a DBE subcontractor or any portion of its work, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to City of Salinas sent concurrently, of its intent to request to terminate and the reason for the proposed request.

The prime contractor's written notice must give the DBE five (5) days to respond, advising City of Salinas and the prime contractor of the reasons, if any, why it objects to the proposed termination of its subcontract or portion thereof and why City of Salinas should not approve the prime contractor's request. If required in a particular case as a matter of public necessity (e.g., safety), City of Salinas may provide a response period shorter than five (5) days.

In addition to post-award terminations, the provisions of this section apply to pre-award deletions or changes to DBEs or their listed work put forward by offerors in negotiated procurements.

When a DBE subcontractor or a portion of its work is terminated by the prime contractor as provided in § 26.53(f), or if work committed to a DBE is reduced due to overestimations made prior to award, the prime contractor must use good faith efforts to include additional DBE participation to the extent needed to meet the contract goal. The good faith efforts shall be documented by the contractor. If City of Salinas requests documentation under this provision, the contractor shall submit the documentation within seven (7) days, which may be extended for an additional seven (7) days, if necessary, at the request of the contractor. City of Salinas shall provide a written determination to the contractor stating whether or not good faith efforts have been demonstrated.

#### **Section 26.55 Counting DBE Participation**

DBE participation will be counted toward overall and contract goals as provided in § 26.55. The participation of a DBE subcontractor will not be counted toward a contractor's final compliance with its DBE obligations on a contract until the amount being counted has actually been paid to the DBE.

In the case of post-award substitutions or additions, if a firm is not currently certified as a DBE in accordance with the standards of subpart D of this part at the time of the execution of the contract, the firm's participation will not be counted toward any DBE goals, except as provided for in § 26.87(j).

For FAA-funded projects **only**, firms that exceed the business size standard in § 26.65(b) will remain eligible for DBE certification and may be counted for DBE credit toward overall and contract goals on FAA-funded projects as long as they do not exceed the small business size standard, as adjusted by the United States Small Business Administration, for the NAICS code(s) in which they are certified.

## **SUBPART D – CERTIFICATION STANDARDS**

### **Section 26.61 – 26.73 Certification Process**

City of Salinas is a **non-certifying member** of the CA Unified Certification Program (UCP) and relies upon the UCP's determinations of certification eligibility. CA UCP will use the certification standards of Subpart D of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. Certifying CA UCP members make all certification decisions based on the facts as a whole.

For information about the certification process or to apply for certification, firms should contact:

California Department of Transportation (Caltrans)  
Office of Business & Economic Opportunity  
1823 14th Street  
Sacramento, CA 95811  
Phone: 916.324.1700  
Email: [DBE.Certification@dot.ca.gov](mailto:DBE.Certification@dot.ca.gov)

California Unified Certification Program  
<https://californiaucp.dbesystem.com/>

The Uniform Certification Application form, Personal Net Worth statement, and documentation requirements can be reviewed at <https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/ready-apply>.

## **SUBPART E – CERTIFICATION PROCEDURES**

Any procedures included here are highlights only. Detailed certification procedures are enumerated in the full California UCP agreement. The full UCP agreement can be found at:

- <https://californiaucp.dbesystem.com/>
- <https://caltrans.dbesystem.com/>

### **Section 26.81 Unified Certification Programs**

City of Salinas is a non-certifying member of a Unified Certification Program (UCP) administered by the California UCP. The UCP will meet all certification standards and procedures requirements of Subparts D and E of Part 26.

### **Section 26.91 Actions Following DOT Certification Appeal Decisions**

If City of Salinas is a certifier to which a DOT determination under § 26.89 is applicable, we will take any and all required action(s) pursuant to § 26.91.

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## **SUBPART F – COMPLIANCE AND ENFORCEMENT**

### **Section 26.101 Compliance Procedures Applicable to Salinas Municipal Airport**

City of Salinas understands that if it fails to comply with any requirement of this part, City of Salinas may be subject to formal enforcement action under § 26.103 or § 26.105 or appropriate program sanctions by the concerned operating administration, such as the suspension or termination of Federal funds, or refusal to approve projects, grants or contracts until deficiencies are remedied. Program sanctions may include, in the case of the FHWA program, actions provided for under 23 CFR 1.36; in the case of the FAA program, actions consistent with 49 U.S.C. 47106(d), 47111(d), and 47122; and in the case of the FTA program, any actions permitted under 49 U.S.C. chapter 53 or applicable FTA program requirements.

City of Salinas understands that, as provided in statute, it will not be subject to compliance actions or sanctions for failing to carry out any requirement of this part because it has been prevented from complying because a Federal court has issued a final order in which the court found that the requirement is unconstitutional.

### **Section 26.105 Enforcement Actions Applicable to FAA Programs**

Compliance with all requirements of this part by airport sponsors and other recipients of FAA financial assistance is enforced through the procedures of Title 49 of the United States Code, including 49 U.S.C. 47106(d), 47111(d), and 47122, and regulations implementing them.

The provisions of § 26.103(b) and this section apply to enforcement actions in FAA programs.

Any person who knows of a violation of this part by a recipient of FAA funds may file a complaint under 14 CFR part 16 with the Federal Aviation Administration Office of Chief Counsel.

### **Section 26.107 Enforcement Actions Applicable to Participating Firms**

If a firm that does not meet the eligibility criteria of subpart D of this part attempts to participate in a DOT-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, the Department may initiate suspension or debarment proceedings against the firm under 2 CFR parts 180 and 1200.

If a firm, in order to meet DBE contract goals or other DBE program requirements, uses or attempts to use, on the basis of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, another firm that does not meet the eligibility criteria of subpart D of this part, the Department may initiate suspension or debarment proceedings against you under 2 CFR parts 180 and 1200.

In a suspension or debarment proceeding brought under paragraph (a) or (b) of this section, the concerned operating administration may consider the fact that a purported DBE has been certified by a recipient. Such certification does not preclude the Department from determining that the purported DBE, or another firm that has used or attempted to use it to meet DBE goals, should be suspended or debarred.

The Department may take enforcement action under [49 CFR Part 31](#), Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under [49 CFR part 31](#).

The Department may refer to the Department of Justice, for prosecution under [18 U.S.C. 1001](#) or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT-assisted program or otherwise violates applicable Federal statutes.

## Section 26.109 Confidentiality, Cooperation, and Intimidation or Retaliation

In responding to requests for information concerning any aspect of the DBE program, the Department complies with provisions of the Federal Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a). The Department may make available to the public any information concerning the DBE program release of which is not prohibited by Federal law.

Notwithstanding any provision of Federal or state law, information that may reasonably be construed as confidential business information will not be released to any third party without the written consent of the firm that submitted the information, including applications for DBE certification and supporting information. However, this information will be transmitted to DOT in any certification appeal proceeding under § 26.89 or to any other state to which the individual's firm has applied for certification under § 26.85.

All participants in the Department's DBE program (including, but not limited to, recipients, DBE firms and applicants for DBE certification, complainants and appellants, and contractors using DBE firms to meet contract goals) are required to cooperate fully and promptly with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information. Failure to do so shall be a ground for appropriate action against the party involved (e.g., with respect to recipients, a finding of noncompliance; with respect to DBE firms, denial of certification or removal of eligibility and/or suspension and debarment; with respect to a complainant or appellant, dismissal of the complaint or appeal; with respect to a contractor which uses DBE firms to meet goals, findings of non-responsibility for future contracts and/or suspension and debarment).

City of Salinas, contractor, or any other participant in the program will not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by this part or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under this part. City of Salinas understands that it is in noncompliance with Part 26 if it violates this prohibition.

## ATTACHMENTS

Attachment 1	Regulations: Link to 49 CFR Part 26 (eCFR)
Attachment 2	Organizational Chart
Attachment 3	Bidder's List Collection Form
Attachment 4	Link to UCP Directory of Certified Firms
Attachment 5	Overall Goal Methodology
Attachment 6	Demonstration of Good Faith Efforts Forms
Attachment 7	DBE Monitoring and Enforcement Mechanisms
Attachment 8	Link to Certification Application Form and Personal Net Worth Statement
Attachment 9	State's UCP Agreement
Attachment 10	Small Business Element Program

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## ATTACHMENT 1

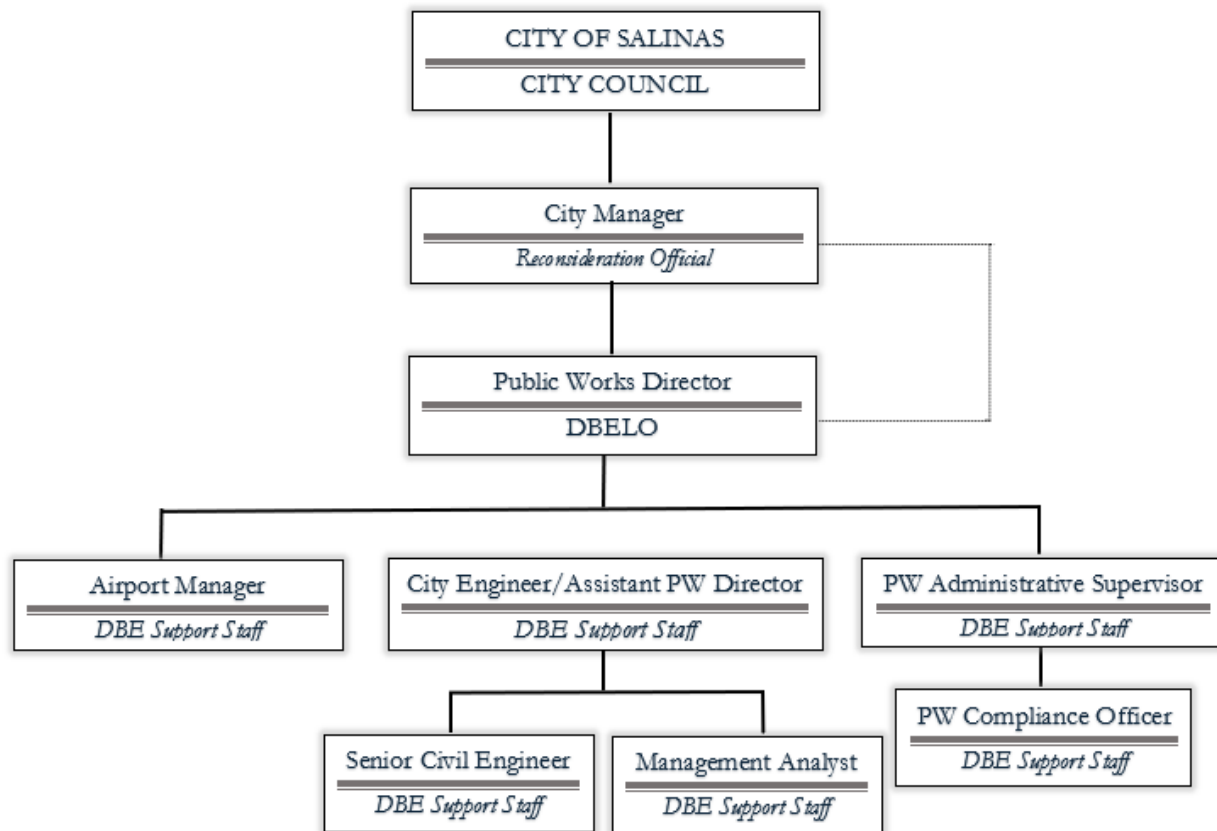
DBE program regulations are codified in Title 49 of the Code of Federal Regulations, Part 26. They can be retrieved using the following link to the Electronic Code of Federal Regulations:

<https://www.ecfr.gov/current/title-49/subtitle-A/part-26>

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## ATTACHMENT 2

### ORGANIZATIONAL CHART



**DBELO has direct access to the City Manager.**

### ATTACHMENT 3

#### Bidder's List Collection Form

[Note: § 26.11(c) requires Recipients to collect bidders list information from all bidders at the time of bid submittal, and to enter it into USDOT's designated system. The data must be collected for all firms who bid as prime contractors or subcontractors (successfully or not). The form below is NOT mandatory. If you use an electronic system to collect this information, you may instead provide a screenshot or other example showing how the system collects all the required data.]

Firm Name	Firm Address (including ZIP code)	DBE or Non-DBE Status	NAICS Code(s) of Scope(s) Bid	Race/Gender of Majority Owner	Age of Firm	Annual Gross Receipts
				<input type="checkbox"/> Black American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Asian-Pacific American <input type="checkbox"/> Subcontinent Asian American <input type="checkbox"/> Native American <input type="checkbox"/> Non-minority Woman <input type="checkbox"/> Other	<input type="checkbox"/> Less than 1 year <input type="checkbox"/> 3 years <input type="checkbox"/> 4-7 years <input type="checkbox"/> 8-10 years <input type="checkbox"/> More than 10 years	<input type="checkbox"/> Less than \$1M million <input type="checkbox"/> \$1-3 million <input type="checkbox"/> \$3-6 million <input type="checkbox"/> \$6-10 million <input type="checkbox"/> Over \$10 million
				<input type="checkbox"/> Black American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Asian-Pacific American <input type="checkbox"/> Subcontinent Asian American <input type="checkbox"/> Native American <input type="checkbox"/> Non-minority Woman <input type="checkbox"/> Other	<input type="checkbox"/> Less than 1 year <input type="checkbox"/> 3 years <input type="checkbox"/> 4-7 years <input type="checkbox"/> 8-10 years <input type="checkbox"/> More than 10 years	<input type="checkbox"/> Less than \$1 million <input type="checkbox"/> \$1-3 million <input type="checkbox"/> \$3-6 million <input type="checkbox"/> \$6-10 million <input type="checkbox"/> Over \$10 million
				<input type="checkbox"/> Black American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Asian-Pacific American <input type="checkbox"/> Subcontinent Asian American <input type="checkbox"/> Native American <input type="checkbox"/> Non-minority Woman <input type="checkbox"/> Other	<input type="checkbox"/> Less than 1 year <input type="checkbox"/> 3 years <input type="checkbox"/> 4-7 years <input type="checkbox"/> 8-10 years <input type="checkbox"/> More than 10 years	<input type="checkbox"/> Less than \$1 million <input type="checkbox"/> \$1-3 million <input type="checkbox"/> \$3-6 million <input type="checkbox"/> \$6-10 million <input type="checkbox"/> Over \$10 million

#### ATTACHMENT 4

California UCP Directory may be found here:

<https://californiaucp.dbesystem.com/>

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## ATTACHMENT 5

### Overall DBE Three-Year Goal Methodology

**Name of Recipient: City of Salinas**

Goal Period: FFY 2025-2027

DOT-assisted contract amount:	FY-2025	\$530,000 (3.8%)
	FY-2026	\$2,400,000 (3.4%)
	FY-2027	\$569,000 (12.8%)
	<b>Total</b>	<b>\$3,499,000</b>

**Overall Three-Year Goal:** 6.7%, to be accomplished through Race Neutral Means.

Total dollar amount to be expended on DBEs: \$234,433 [*multiply goal % x DOT-assisted amount*]

Describe the Number and Type of Contracts that the airport anticipates awarding:

**Contracts Fiscal Year #1**

1. Design - RWY Lighting Upgrades and Airfield Signage Upgrades; Perimeter Road Pavement Rehabilitation - \$530,000

**Contracts Fiscal Year #2**

1. Construction - Runway Lighting Upgrades and Airfield Signage Updates - \$2,400,000

**Contracts Fiscal Year #3**

1. Construction - Perimeter Road Pavement Rehabilitation - \$569,000

**Market Area:** Monterey, San Benito, San Luis Obispo, and Santa Cruz

Step 1. Relative Availability of DBEs

The step 1 figure for the relative availability was calculated as follows:

Method: Use DBE Directories <https://californiaucp.dbesystem.com/>

and Census Bureau Data from <https://data.census.gov/cedsci/>

Weighted Availability of DBE firms:

Design - RWY Lighting Upgrades and Airfield Signage Upgrades; Perimeter Road Pavement Rehabilitation - \$530,000

Fiscal Year #1

For FY- **2025**, award of the following is anticipated:

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE(%) (=G/F)*	DBE (\$) (= E x H)	Trade % of Fee	Weighted DBE Estimate
Design - RWY Lighting Upgrades and Airfield Signage Upgrades; Perimeter Road Pavement Rehabilitation \$530,000	Civil Engineering	Engineering services	541330	\$185,000.00	267	3	1.1%	\$2,079	34.9%	0.4%
	Geophysical Surveying and Mapping Services	Surveying and Mapping	541360	\$25,000.00	3	2	66.7%	\$16,667	4.7%	3.1%
	Geotechnical Engineers	Testing Laboratory (Geotechnical)	541380	\$30,000.00	23	1	4.3%	\$1,304	5.7%	0.2%
	Electrical Engineering	Electrical Engineering services	541330	\$255,000.00	267	0	0.0%	\$0	48.1%	0.0%
	City Administration	-	-	\$35,000.00						
<b>Total Project Cost</b>				<b>\$530,000.00</b>				<b>\$20,049.67</b>	<b>3.8%</b>	
<b>FAA Funded</b>				<b>\$477,000.00</b>						
<b>FAA Funded Contractor Fee</b>				<b>\$442,000.00</b>						

Construction - Runway Lighting Upgrades and Airfield Signage Updates - \$2,400,000

Fiscal Year #2

For FY- **2026**, award of the following is anticipated:

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE(%) (=G/F)*	DBE (\$) (= E x H)	Trade % of Fee	Weighted DBE Estimate
Construction - Runway Lighting Upgrades and Airfield Signage Updates \$2,400,000	Electrical Contractors and Other Wiring Installation Contractors	Electrical Contractors	238210	\$2,050,000.00	357	0	0.0%	\$0	85.4%	0.0%
	Geophysical Surveying and Mapping Services	Surveying and Mapping	541360	\$50,000.00	3	2	66.7%	\$33,333	2.1%	1.4%
	Construction Management		237310	\$250,000.00	26	5	19.2%	\$48,077	10.4%	2.0%
	City Admin			\$50,000.00						
<b>Total Project Cost</b>				<b>\$2,400,000.00</b>				\$81,410.26	3.4%	
<b>FAA Funded</b>				<b>\$2,160,000.00</b>						
<b>FAA Funded Contractor Fee</b>				<b>\$2,110,000.00</b>						

Construction - Perimeter Road Pavement Rehabilitation - \$569,000

Fiscal Year #3

For FY- **2027**, award of the following is anticipated:

Project Name	Trade Description	NAICS Description	NAICS	Trade (\$)	Census	Directory	DBE(%) (=G/F)*	DBE (\$) (= E x H)	Trade % of Fee	Weighted DBE Estimate
Construction - Perimeter Road Pavement Rehabilitation  \$569,000	Highway, Street, and Bridge Construction - Paving	Grading and Paving	237310	\$ 350,000.00	26	5	19.2%	\$67,308	61.5%	11.8%
	Civil Engineering	Engineering services	541330	\$ 60,000.00	267	3	1.1%	\$674	10.5%	0.1%
	City Admin			\$ 35,000.00					6.2%	
	Highway, Street, and Bridge Construction	Striping/Airport runway line painting	237310	\$ 100,000.00	26	1	3.8%	\$3,846	17.6%	0.7%
	Surveyor	Survey and Mapping	541370	\$ 12,000.00	30	1	3.3%	\$400	2.1%	0.1%
	Geotechnical Engineers	Testing Laboratory (Geotechnical)	541380	\$ 12,000.00	23	1	4.3%	\$522	2.1%	0.1%
			Total Project Cost	\$ 569,000.00				\$72,749.74	12.8%	
		FAA Funded	\$ 512,100.00							
		FAA Funded Contractor Fee	\$ 477,100.00							



- Sum of Weighted DBE Availability for **FY2025-2027**: 20%
- Sum of All Trades for **FY2025-2027**: \$3,499,000

Dividing the weighted DBE totals by the total estimate for all trades gives an initial DBE availability figure for the projects anticipated during the goal-setting period (This figure is expressed as a percentage and serves as the basis for the three-year overall goal.

Weighted DBE Goal at Step 1: 6.7%

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Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation.

City of Salinas will meet the maximum feasible portion of the overall goal by using RN means of facilitating DBE participation.

1. Fulfill requests and offer instructions or clarifications on bid specifications, the City of Salinas’s procurement policy and procedures, and general bidding requirements.
2. Maintain a file of successful bid documents from past procurements and permit DBE firms and other small businesses to review and evaluate these documents.
3. Use a lead time of at least 20 days, if allowable, for advertisement of all invitations for bid so that all DBEs and small businesses have ample time to develop a complete bid package or proposal and secure necessary assistance.
4. Hold pre-bid conferences to provide DBEs or small businesses with an opportunity to inquire about DBE requirements.
5. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation.
6. Include the following statement in the bid solicitation: “There is no DBE project goal established for this project. At this time the Airport will meet the DBE goal on federally assisted projects through race neutral measures. The Airport supports the use of race neutral measures to facilitate participation by DBEs and other small businesses, and encourages prime contractors to subcontract portions of their work that they might otherwise perform with their own forces.”

City of Salinas estimates that in meeting the established overall goal of **6.7%**, it will obtain 100% from RN participation.

City of Salinas will monitor DBE participation on an ongoing basis during the goal period and adjust the estimated breakout of RN and RC DBE participation as needed.

## **PUBLIC PARTICIPATION**

### **Consultation:**

In establishing the overall goal, City of Salinas provided for consultation and publication. This process included consultation with minority, women, and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the City of Salinas’s efforts to establish a level playing field for the participation of DBEs. The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process and was conducted before the goal methodology was submitted to the operating administration for review. Details of the consultation process are as follows.

A notice of the proposed goal was published on the City of Salinas official website before the methodology was submitted to FAA. The notice can be found here:

<https://www.cityofsalinas.org/Your-Government/Departments/Public-Works/Salinas-Municipal-Airport>

If the proposed goal changes following review by FAA, the revised goal will be posted on City of Salinas’s official website.

Notwithstanding paragraph (f)(4) of §26.45, City of Salinas’s proposed goals will not be implemented until the stakeholder consultation requirement has been met.

## PUBLIC NOTICE

City of Salinas hereby announces its proposed Disadvantaged Business Enterprise (DBE) participation goal of 6.7% for FAA funded contracts/agreements. City of Salinas estimates that in meeting the established overall goal of 6.7%, it will obtain 100% from RN participation. The proposed goal pertains to federal fiscal years 2025 through 2027. A web conference will be held **on April 10, 2025**, for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process. A Zoom link will be provided on the City of Salinas website.

Comments on the DBE goal will be accepted for 30 days from the date of this publication (March 10, 2025) and can be sent to the following:

Mr. David Jacobs, Public Works Director  
Public Works Department  
City of Salinas  
200 Lincoln Avenue, Salinas, CA 93901  
Telephone: (831) 758-7241  
Email: [davidj@ci.salinas.ca.us](mailto:davidj@ci.salinas.ca.us)

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## ATTACHMENT 6

### Demonstration of Good Faith Efforts - Forms 1, 2, and 3

Note: The following Forms 1, 2, and 3 are provided for illustrative purposes ONLY. Any forms Recipients develop and use for purposes of assessing bidders'/offerors' good faith efforts should be included with solicitation documents. These forms or their equivalents are NOT for use in soliciting for Design-Build contracts. Design-Build solicitations must require respondents to provide a DBE Open-Ended Performance Plan in their initial responses.]

### FORM 1: DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner:

- ☐ Bidder/offeror has met the DBE contract goal  
The bidder/offeror is committed to a minimum of \_\_\_\_ % DBE utilization on this contract.
- ☐ Bidder/offeror has not met the DBE contract goal  
The bidder/offeror is committed to a minimum of \_\_\_\_ % DBE utilization on this contract and has submitted documentation demonstrating good faith efforts.

Legal name of bidder/offeror's firm: \_\_\_\_\_

Bidder/Offeror Representative:

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature Date

## FORM 2: LETTER OF INTENT

Note: The authorized representative (AR) named below must be an individual vested with the authority to make contracting decisions on behalf of the firm.

Name of bidder/offeror's firm: \_\_\_\_\_

Name & title of firm's AR: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name of DBE firm: \_\_\_\_\_

Name & title of DBE firm's AR: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Work to be performed by DBE firm:

Description of Work	NAICS	Dollar Amount / %*	Manufacturer/Regular Dealer/Distributor/Broker**

\*Percentage is to be used only in negotiated procurements

\*\*For DBE suppliers only, state how the DBE will perform. For dealer/distributor/broker, Form 3 must be included.

The undersigned bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The total expected dollar value of this work is

\$ \_\_\_\_\_. The bidder/offeror understands that if it is awarded the contract/agreement resulting from this procurement, it must enter into a subcontract with the DBE firm identified above that is representative of the type and amount of work listed. Bidder/offeror understands that upon submitting this form with its bid/offer, it may not substitute or terminate the DBE listed above without following the procedures of 49 CFR Part 26, §26.53.

\_\_\_\_\_  
Signature of Bidder/Offeror's Authorized Representative

Date: \_\_\_\_\_

The undersigned DBE affirms that it is ready, willing, and able to perform the amount and type of work as described above, and is properly certified to be counted for DBE participation therefore.

\_\_\_\_\_  
Signature of DBE's Authorized Representative

Date: \_\_\_\_\_

If the bidder/offeror does not receive award of the prime contract, all representations in this Letter of Intent shall be null and void. Submit this page for each DBE subcontractor.

**Form 3: DBE Regular Dealer/Distributor Affirmation Form**

[HTTPS://WWW.TRANSPORTATION.GOV/MISSION/CIVIL-RIGHTS/DBE-REGULAR-DEALER-DISTRIBUTOR-AFFIRMATION](https://www.transportation.gov/mission/civil-rights/dbe-regular-dealer-distributor-affirmation)

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## ATTACHMENT 7

### Administrative Enforcement Mechanisms

City of Salinas has available several remedies to enforce the DBE requirements contained in its contracts, including, but not limited to, the following:

1. Breach of contract action, pursuant to the terms of the contract,
2. Breach of contract action, pursuant to **49 CFR Part 26**
3. City of Salinas may take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under 49 CFR part 31.

In addition, the Federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE problem, including, but not limited to, the following:

1. Suspension or debarment proceedings pursuant to 49 CFR Part 26
2. Enforcement action pursuant to 49 CFR Part 31
3. Prosecution pursuant to 18 USC 1001.

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## ATTACHMENT 8

DBE Certification Application Form and Personal Net Worth Statement:

<https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/ready-apply>

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## ATTACHMENT 9

The City of Salinas does not have an agreement with the California UCP, but does rely on the California UCP certification to determine eligibility of a firms' participation in FAA-funded contracts to be counted toward DBE program and contract goals.

<https://californiaucp.dbesystem.com/>

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## ATTACHMENT 10

### Small Business Element

In accordance with 49 CFR Part 26, the City's DBE Program has been revised to include a Small Business Element, which will include ways to facilitate competition by small business enterprises (SBE), taking all reasonable steps to eliminate obstacles to their participation.

In order to further promote small business participation, the City will consider, on a case-by-case basis, unbundling contracts in order to enable small businesses to bid as prime contractors. On larger contracts, prime contractors will be encouraged to provide subcontracts appropriate to small businesses.

#### Small Business Participation Plan – Strategy

The City intends to carry out the objectives of this part by employing the following strategy and supporting activities:

1. Establishment of Race-Neutral Subcontracting Goals

The City proposes that, where feasible on certain prime contracts that do not have a DBE contract goal that prime contractors will provide subcontracting opportunities to qualified Small Businesses Concerns (SBC), without regards to race or gender of the business owner. The opportunities must be of a size that SBCs, including some, which may also happen to be DBE's, can reasonably perform. The City will assess the feasibility for race-neutral subcontracting goals on projects. The City will assist the potential prime contractors by suggesting potential subcontracting opportunities in the solicitation documents. This will help to establish a reasonable race-neutral subcontracting goal.

Note: For purpose of this section, the phrase "where feasible" means where the Small Business Plan strategy can be implemented without significant adverse impact to the project cost or schedule.

#### Definition

Small Business: For the purpose of this program, an SBE defined firm shall have the same definition as Small Business Concern that does not exceed the Business Size Standard as established by the U.S. Small Business Administration (SBA).

#### Verification

The City will rely upon the State's Department of General Services' Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS) database to verify SBE eligibility.

An important part of the City's small business element is its outreach activities. These outreach efforts include active, effective steps to increase small business participation by implementing the following:

1. Soliciting bids/proposals from DBEs and SBEs.
2. Responding to requests for information.
3. Informing and inviting DBEs and SBEs to participate at pre-bid and pre-proposal meetings; and
4. Identifying and Publishing training opportunities.

#### Monitoring/Record Keeping

The City will track any race neutral participation by currently certified DBEs and SBEs. To the extent feasible, data on small business participation, will be collected and maintained to respond to any future questions regarding the results of the City's DBE Program.

## Assurance

1. The program is authorized under state law.
2. Certified DBEs that meet the size criteria established under the program are presumptively eligible to participate in the program.
3. No limits are placed on the number of contracts awarded to firms participating in the program, but every effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses; and
4. Aggressive steps will be taken to encourage those minority and women owned firms that are eligible for DBE certification to become certified.
5. The program is open to small businesses regardless of their location (i.e., there is no local or other geographic preference).

## Supportive Services

Central Coast Small Business Development Center

123 Capitol Street, Suite B

Salinas, CA 93901

Phone: 831-216-3000

Website: <https://centralcoastsbdc.com/>

California Coastal Rural Development: <http://www.calcoastal.org/>

U.S. Small Business Administration - <https://www.sba.gov>

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